

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Rebecca Trevino, CPA, Chief Financial Officer  
Todd Chenoweth, General Counsel

**FROM:** Georgia Sanchez, Development Fund Manager

**DATE:** January 2, 2020

**SUBJECT:** Authorization to begin work on the proposed 2020 State Revolving Fund Revenue Bonds

**ACTION REQUESTED**

Consider authorizing the Executive Administrator, Chief Financial Officer, and Development Fund Manager to take all necessary actions for the issuance, sale and delivery of Texas Water Development Board State Revolving Fund Revenue Bonds in one or more series; and approving the selection of financial advisor, bond counsel, disclosure counsel, senior managing underwriter, and co-managing underwriters for the negotiation of the bond issue.

**BACKGROUND**

The Texas Water Development Board (TWDB) is authorized to issue revenue bonds pursuant to Chapter 15, Subchapter J and Chapter 17, Subchapter I of the Texas Water Code.

Bond proceeds have historically been used to fund projects under the Clean Water State Revolving Fund (CWSRF) to provide financial assistance to various wastewater treatment systems, and used to fund projects under the Drinking Water State Revolving Fund (DWSRF) to provide financial assistance to community water systems.

**KEY ISSUES**

The net proceeds of the bonds will be used to provide funding to the DWSRF and CWSRF.

Hilltop Securities Inc. is recommended to serve as financial advisor, McCall, Parkhurst & Horton L.L.P. as bond counsel, and Bracewell LLP as disclosure counsel.

Siebert Williams Shank & Co., LLC is recommended to serve as senior managing underwriter for the transaction. Recommended co-managing underwriters include

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To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas	Peter M. Lake, Chairman   Kathleen Jackson, Board Member   Brooke T. Paup, Board Member Jeff Walker, Executive Administrator

Barclays; Hutchinson, Shockey, Erley & Co.; Jefferies; Loop Capital Markets; Raymond James; and SAMCO.

With Board approval, staff will finalize the timeline, engage the service providers, undertake the debt issuance process as required by the Bond Review Board, negotiate financing agreements with the borrower(s), and take other necessary steps to prepare the bonds for issuance and sale. The Executive Administrator will return to the Board for adoption of associated resolutions and approval of the Preliminary Official Statement for any series to be issued under this authorization.

**RECOMMENDATION**

In order to ensure a successful issuance of the State Revolving Fund Revenue Bonds, the Executive Administrator recommends authorizing the Executive Administrator, Chief Financial Officer, and Development Fund Manager to take all necessary actions for the issuance, sale and delivery of Texas Water Development Board State Revolving Fund Revenue Bonds in one or more series; and approve the selection of Hilltop Securities Inc. as financial advisor, McCall, Parkhurst & Horton L.L.P. as bond counsel, Bracewell LLP as disclosure counsel, Siebert Williams Shank & Co., LLC as senior managing underwriter, and Barclays; Hutchinson, Shockey, Erley & Co.; Jefferies; Loop Capital Markets; Raymond James; and SAMCO as co-managing underwriters.